



General Assembly

January Session, 2005

**Amendment**

LCO No. 5509

**\*SB0094605509SD0\***

Offered by:

SEN. WILLIAMS, 29<sup>th</sup> Dist.

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. GAFFEY, 13<sup>th</sup> Dist.

SEN. MCDONALD, 27<sup>th</sup> Dist.

SEN. COLAPIETRO, 31<sup>st</sup> Dist.

SEN. GUNTHER, 21<sup>st</sup> Dist.

To: Senate Bill No. 946

File No. 19

Cal. No. 57

**"AN ACT CONCERNING THE SOLICITATION OF CHARITABLE FUNDS ACT."**

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- 1 In line 8, strike "twenty-five" and insert "fifty" in lieu thereof
- 2 In line 71, after "organization." insert the following "The information
- 3 contained in such report shall be available to the public."
- 4 After the last section, add the following and renumber sections and
- 5 internal references accordingly:
- 6 "Sec. 501. Section 21a-190f of the general statutes is repealed and the
- 7 following is substituted in lieu thereof (*Effective October 1, 2005*):
- 8 (a) No person shall act as a paid solicitor unless [he] such person has
- 9 first registered with the department. Applications for registration and
- 10 for the renewal of a registration shall be in writing, under oath, in the
- 11 form prescribed by the department and shall be accompanied by a fee
- 12 in the amount of [one hundred twenty] five hundred dollars. The

13 application shall contain such information as the department shall  
14 require. Each registration shall be valid for one year and may be  
15 renewed for additional one-year periods.

16 (b) An applicant for registration or for a renewal of registration as a  
17 paid solicitor shall, at the time of making such application, file with  
18 and have approved by the department a bond, in which the applicant  
19 shall be the principal obligor in the sum of twenty thousand dollars,  
20 with one or more responsible sureties whose liability in the aggregate  
21 as such sureties shall be no less than such sum. The paid solicitor shall  
22 maintain the bond in effect as long as the registration is in effect. The  
23 bond shall run to the state and to any person who may have a cause of  
24 action against the principal obligor of the bond for any liabilities  
25 resulting from the obligor's conduct of any activities subject to sections  
26 21a-190a to 21a-190l, inclusive, as amended by this act, or arising out of  
27 a violation of said sections or any regulation adopted pursuant to said  
28 sections.

29 (c) No less than twenty days prior to the commencement of each  
30 solicitation campaign, a paid solicitor shall file with the department a  
31 copy of the contract described in subsection (d) of this section and shall  
32 file a completed solicitation notice on forms prescribed by the  
33 department. A solicitation notice shall be in writing and under oath,  
34 and shall include a description of the solicitation event or campaign,  
35 the location and telephone number from which the solicitation is to be  
36 conducted, the names and residence addresses of all employees, agents  
37 or other persons however styled who are to solicit during such  
38 campaign and the account number and location of all bank accounts  
39 where receipts from such campaign are to be deposited. Copies of  
40 campaign solicitation literature, including the text of any solicitation to  
41 be made orally, shall be attached to the solicitation notice. The  
42 charitable organization on whose behalf the paid solicitor is acting  
43 shall certify that the solicitation notice and accompanying material are  
44 true and complete. Prior to the commencement of such solicitation  
45 campaign, the commissioner shall publicize such solicitation through  
46 the issuance of a press release and the posting on the department's web

47 site of information describing the terms of the contract between the  
48 paid solicitor and the charitable organization, the dates of such  
49 solicitation campaign and the percentage of the raised funds to be  
50 retained by the paid solicitor. The commissioner may publicize such  
51 solicitation through any additional means the commissioner deems  
52 appropriate.

53 (d) A contract between a paid solicitor and a charitable organization  
54 shall be in writing, shall clearly state the respective obligations of the  
55 paid solicitor and the charitable organization and shall state the  
56 minimum amount [which] that the charitable organization shall  
57 receive as a result of the solicitation campaign, which minimum  
58 amount shall be stated as a percentage of the gross revenue. Such  
59 minimum amount shall not include any amount [which] that the  
60 charitable organization is to pay as expenses of the solicitation  
61 campaign.

62 (e) A paid solicitor shall, prior to orally requesting a contribution,  
63 and at the same time at which a written request for a contribution is  
64 made, clearly and conspicuously disclose at the point of solicitation  
65 [his] such solicitor's name as on file with the department, the fact that  
66 [he] such solicitor is a paid solicitor and the percentage of the gross  
67 revenue which the charitable organization shall receive as identified in  
68 subsection (d) of this section.

69 (f) A paid solicitor shall, in the case of a solicitation campaign  
70 conducted orally, whether by telephone or otherwise, send a written  
71 confirmation to each person who has pledged to contribute, no more  
72 than five days after such person has been solicited, which confirmation  
73 shall include a clear and conspicuous disclosure of the information  
74 required by subsection (e) of this section.

75 (g) A paid solicitor shall not represent that any part of the  
76 contributions received will be given or donated to any charitable  
77 organization unless such organization has consented in writing to the  
78 use of its name, prior to the solicitation. Such written consent, if given,

79 shall be signed by two authorized officers, directors or trustees of the  
80 charitable organization.

81 (h) No paid solicitor [shall] may represent that tickets to an event  
82 are to be donated for use by another, unless the paid solicitor has first  
83 obtained a commitment, in writing, from a charitable organization  
84 stating that it will accept donated tickets and specifying the number of  
85 tickets which it is willing to accept and provided no more  
86 contributions for donated tickets shall be solicited than the number of  
87 ticket commitments received from the charitable organization.

88 (i) A paid solicitor shall require any person [he] such solicitor  
89 directly or indirectly employs, procures or engages to solicit to comply  
90 with the provisions of subsections (e) to (h), inclusive, of this section.

91 (j) A paid solicitor shall file a financial report for the campaign with  
92 the department no more than ninety days after a solicitation campaign  
93 has been completed, and on the anniversary of the commencement of  
94 any solicitation campaign which lasts more than one year. The  
95 financial report shall include gross revenue and an itemization of all  
96 expenditures incurred. The report shall be completed on a form  
97 prescribed by the department. An authorized official of the paid  
98 solicitor and two authorized officials of the charitable organization  
99 shall sign such report and they shall certify, under oath, that such  
100 report is true and complete to the best of their knowledge. The  
101 information contained in such report shall be available to the public.

102 (k) A paid solicitor shall maintain during each solicitation campaign  
103 and for not less than three years after the completion of each such  
104 campaign the following records, which shall be available to the  
105 department for inspection upon request: (1) The name and address of  
106 each contributor and the date and amount of the contribution,  
107 provided the department shall not disclose this information except to  
108 the extent necessary for investigative or law enforcement purposes; (2)  
109 the name and residence of each employee, agent or other person  
110 involved in the solicitation; and (3) records of all income received and

111 expenses incurred in the course of the solicitation campaign.

112 (l) If a paid solicitor sells tickets to an event and represents that  
113 tickets will be donated for use by another, the paid solicitor shall  
114 maintain, for not less than three years after the completion of such  
115 event, the following records, which shall be available to the  
116 department for inspection upon request: (1) The name and address of  
117 contributors donating tickets and the number of tickets donated by  
118 each contributor; and (2) the name and address of all organizations  
119 receiving donated tickets for use by others, including the number of  
120 tickets received by each organization.

121 (m) All funds collected by the paid solicitor shall be deposited in a  
122 bank account. The bank account shall be in the name of the charitable  
123 organization with whom the paid solicitor has contracted and the  
124 charitable organization shall have sole or joint control of the account.

125 (n) Any material change in any information filed with the  
126 department pursuant to this section shall be reported in writing by the  
127 paid solicitor to the department not more than seven days after such  
128 change occurs.

129 (o) No person may act as a paid solicitor if such person, any officer  
130 or director thereof, any person with a controlling interest therein, or  
131 any person the paid solicitor employs, engages or procures to solicit  
132 for compensation, has been convicted by a court of any state or the  
133 United States of any felony, or of any misdemeanor involving  
134 dishonesty or arising from the conduct of a solicitation for a charitable  
135 organization or purpose. Any denial, suspension or revocation of the  
136 registration of a paid solicitor based on a violation of this subsection  
137 shall be made in accordance with the provisions of section 46a-80."